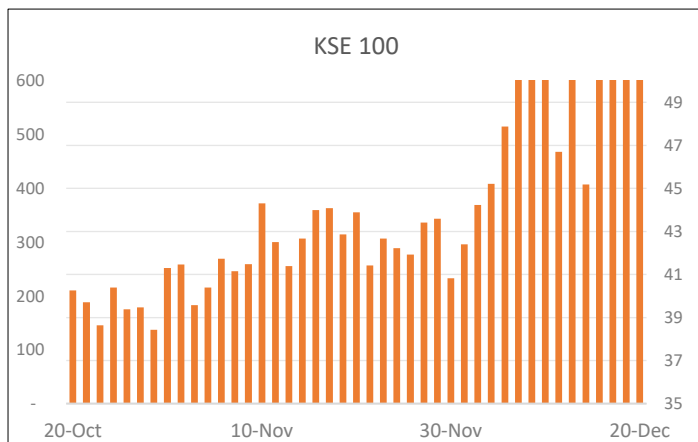


## MORNING GLANCE



62,448	▼ -385	▼ -0.61%
663 mn	YTD 53%	1 Year 58.73%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,150.15	302.95	1.41% ▼
DSE 30	2,099.21	1.67	0.08% ▲
SHANGHAI	2,902.64	0.53	0.02% ▲
Hang Seng	16,557.00	60.5	0.36% ▼
Nikkei 225	33,120.00	555.94	1.65% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,715.68	77.65	1.02% ▲
DAX 30	16,733.05	11.36	0.07% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	37,082.00	475.92	1.27% ▼
S&P 500	4,698.35	70.02	1.47% ▼
NASDAQ	16,554.16	257.7	1.53% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,047.75	0.05	-
Oil-WTI (bbl)	74.03	0.19	0.26% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	282.90	0.11	0.04% ▼
EURO/PAKR	310.26	0.96	0.31% ▲
GBP/PAKR	358.21	1.33	0.37% ▼
AED/PAKR	77.03	0.03	0.04% ▼

Source: dps.psx.com.pk, investing.com, forex.com

### Market Outlook

The stock market on Wednesday plunged over 300 points and concluded the session in the red zone amid unwinding leveraged positions and returning pre-election nervousness. The Benchmark KSE-100 index made an intra-day high and low at 63,261.05 (428 points) and 61,082.50 (-1750 points) respectively while closed at 62,448.01 by losing 385 points. Trading volume decreased to 663mn shares as compared to 950mn shares on the previous trading day. Going forward, we expect continued correction in the market as the index reaches an all-time high in previous trading sessions. The support for the index resides at 62,000 Breaking this level would further drag the index towards 61,500. Contrarily, the resistance for the index resides at 63,000.

### Key News

#### International

##### Asian stocks dip as rate cut rally cools; Nikkei hit by Toyota scandal

Most Asian stocks fell on Thursday as investors locked-in recent profits after a dovish Federal Reserve triggered a week-long rally, with Japan's Nikkei 225 leading losses amid a deepening scandal involving the country's biggest automakers. Regional stocks took a weak lead-in from Wall Street, as U.S. benchmarks retreated from [see more...](#)

##### Oil settles up on Red Sea tensions; gains capped by US stock builds

Oil prices settled slightly higher after a choppy trading session on Wednesday as investors worried about global trade disruption and tensions in the Middle East following attacks on ships by Yemen's Iran-aligned Houthi forces in the Red Sea. Limiting price gains were a surprise U.S. crude inventory build, larger than expected fuel stocks gains and record [see more...](#)

#### Politics

##### 'Code of conduct' unveiled by ECP; Country moves a step closer to general election

Faced with strong criticism from majority of mainstream political parties over its alleged failure in ensuring them a level playing field in the wake of upcoming general elections, the Election Commission of Pakistan (ECP) now expects. [see more...](#)

#### Economy

##### Pakistan inks \$1.2 billion loan agreement with ADB – Positive

The Asian Development Bank (ADB) Wednesday confirmed that it has inked a \$1.2 billion loan agreement with Pakistan. The agreement, signed on December 15, provisions budget funding and initiatives focused on domestic resource mobilisation and also features six projects aimed towards the financial independence of women. Out of the total \$1.2 billion, at least one-third [see more...](#)

## MORNING GLANCE

### **WB approves \$350 million for Pakistan – Positive**

The World Bank's Board of Executive Directors approved on Tuesday \$350 million in financing for the Second Resilient Institutions for Sustainable Economy (RISE-II) Operation, which aims to strengthen fiscal management and promote competitiveness for sustained and inclusive economic growth. "Pakistan needs urgent fiscal and structural reforms to restore macroeconomic balance and lay the foundations for [see more...](#)

### **PKR: upward trajectory – Positive**

The Pakistani rupee maintained its upward trajectory against the US dollar for the seventh straight session as it appreciated 0.04% in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the rupee settled at 282.9 after an increase of Re0.11. On Tuesday, the rupee recorded a slight gain to settle at 283.01 against the US dollar. In a related development, fresh austerity measures for [see more...](#)

### **Eyeing Rs110bn funding; Govt gearing up to unveil another sukuk auction calendar – Neutral**

In a bid to strengthen its financial standing, the government of Pakistan is gearing up to unveil yet another Sukuk auction calendar, eyeing a substantial sum of up to Rs 110 billion through 03 and 05-year variable and fixed rate Sukuk. Scheduled for December 21, 2023, the auction is slated to occur under the auspices of the State Bank of Pakistan and the asset that [see more...](#)

### **Govt raises historic Rs397bn in bond auction – Positive**

The government raised a historic Rs397 billion (\$1.4 billion) in Wednesday's local currency bond auction. Surpassing all expectations, this marked the highest borrowing in years in one auction, reflecting robust market interest despite December ending. Investors' substantial participation underscores their confidence in long-term bonds, driven by anticipation of an early 2024 rate cut. The government strategically leveraged [see more...](#)

### **National Saving Schemes: CDNS revises rates of return downwards – Neutral**

The Central Directorate of National Savings (CDNS) has revised the rates of return on some of its National Savings Schemes. The rates of Special Savings Certificates (SSC) have been reduced by 160bps to 16.4% from 18% earlier. Short Term Savings Certificates (STSC) will now yield 20.8% instead of the earlier 21.72%, a decrease of 92bps. In addition, the return [see more...](#)

### **Increase in power rates allowed countrywide – Negative**

The National Electric Power Regulatory Authority (Nepra) has allowed federal government on Wednesday to increase electricity rates by Rs1.1502 across the country to collect over Rs22 billion from the power consumers. The increase has been allowed under quarterly tariff adjustment on the request filed by the XWDISCOs for Periodic Adjustment in Tariff for the first Quarter July-September 2023. [see more...](#)

### **Payment of KE arrears; ECC approves Rs57bn advanced subsidy – Positive**

The Economic Coordination Committee (ECC) of the Cabinet approved Rs57 billion advanced subsidy for payment of K-Electric arrears and Rs262.075 billion to public sector power plants through Technical Supplementary Grants. The ECC meeting presided over by the caretaker Finance Minister Dr Shamshad Akhtar gave approval on a summary [see more...](#)

### **Increase in power sector subsidy; Hamstrung by grim lack of fiscal space, FD says 'no' – Neutral**

The Finance Division has reportedly refused to enhance power sector subsidy in any eventuality due to financial constraints, well-informed sources told Business Recorder. This assertion came from the Finance Division at a recent meeting of the Economic Coordination Committee (ECC) of the Cabinet when the issue of agreements between K-Electric [see more...](#)

### **Energy mix; 'Govt plans to enhance share of hydel, RE to 61pc by 2030' – Neutral**

Caretaker Minister for Power, Muhammad Ali, on Wednesday said the government is working on a plan to enhance the share of hydel and renewable energy (RE) in the total energy mix to 61 percent by 2030 from the existing 31 per cent. While speaking at the 3rd International Hydropower Conference after lauding the energy update [see more...](#)

### **Power generation cost jumps 20pc y/y in November – Negative**

The power generation cost surged nearly 20 percent year-on-year in November, as the country relied more on expensive fossil fuels amid a drop in nuclear and renewable energy sources, data from a brokerage house showed on Wednesday. The average cost of electricity production rose to Rs7.17 per kilowatt-hour (kWh) last month, compared [see more...](#)

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## DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

## VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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